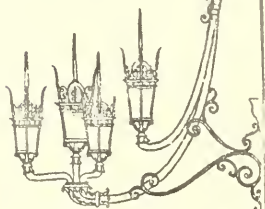


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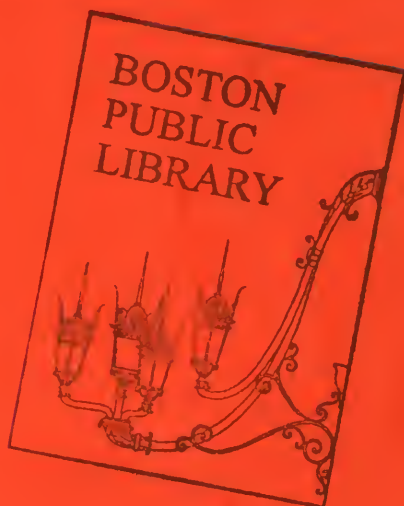


BRA

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CONVENTION HOTEL
FORT POINT CHANNEL
BOSTON, MASSACHUSETTS

PROPERTY OF BRA LIBRARY



PROPERTY OF BRA LIBRARY

Fort Point
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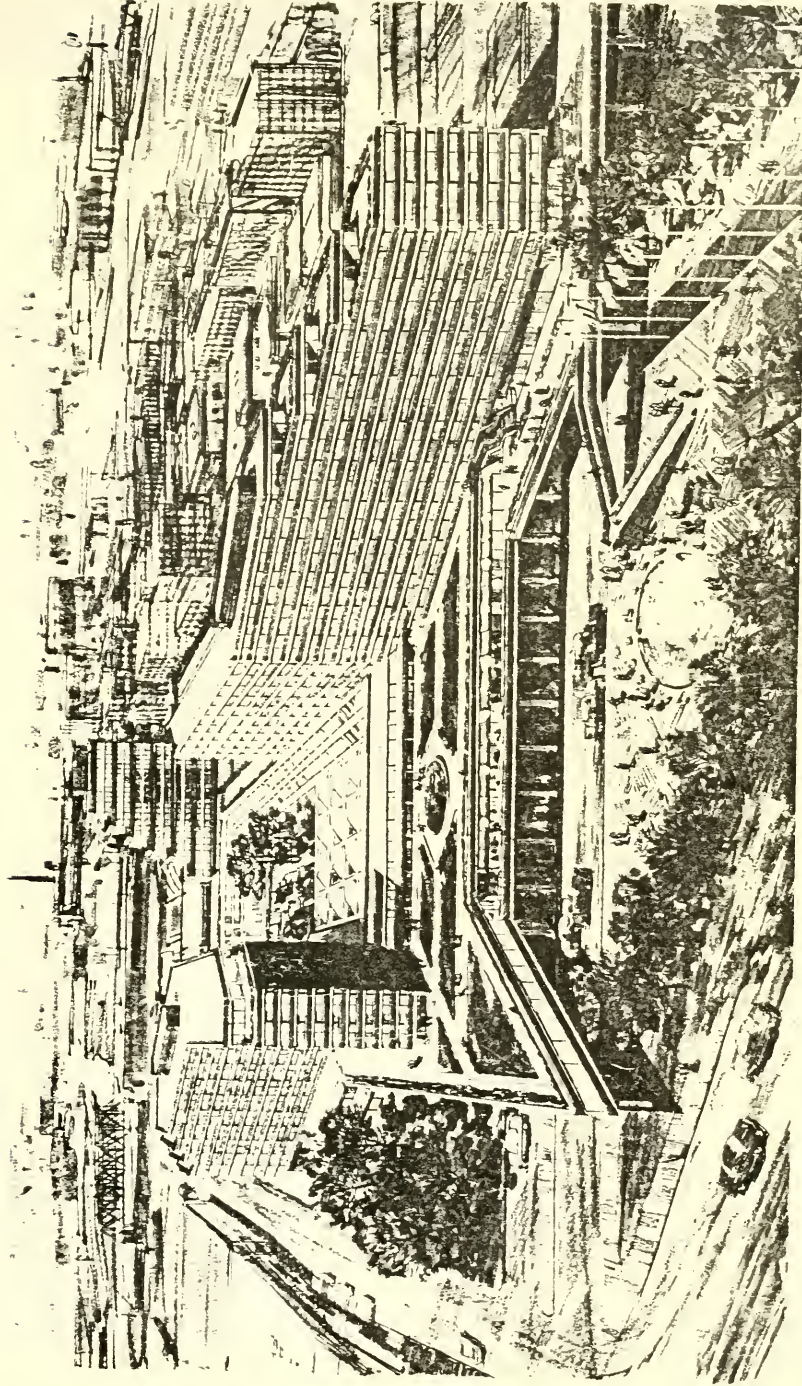
BRODERICK.

BRODERICK PROPERTIES INC.

CONVENTION HOTEL
FORT POINT CHANNEL
BOSTON, MASSACHUSETTS

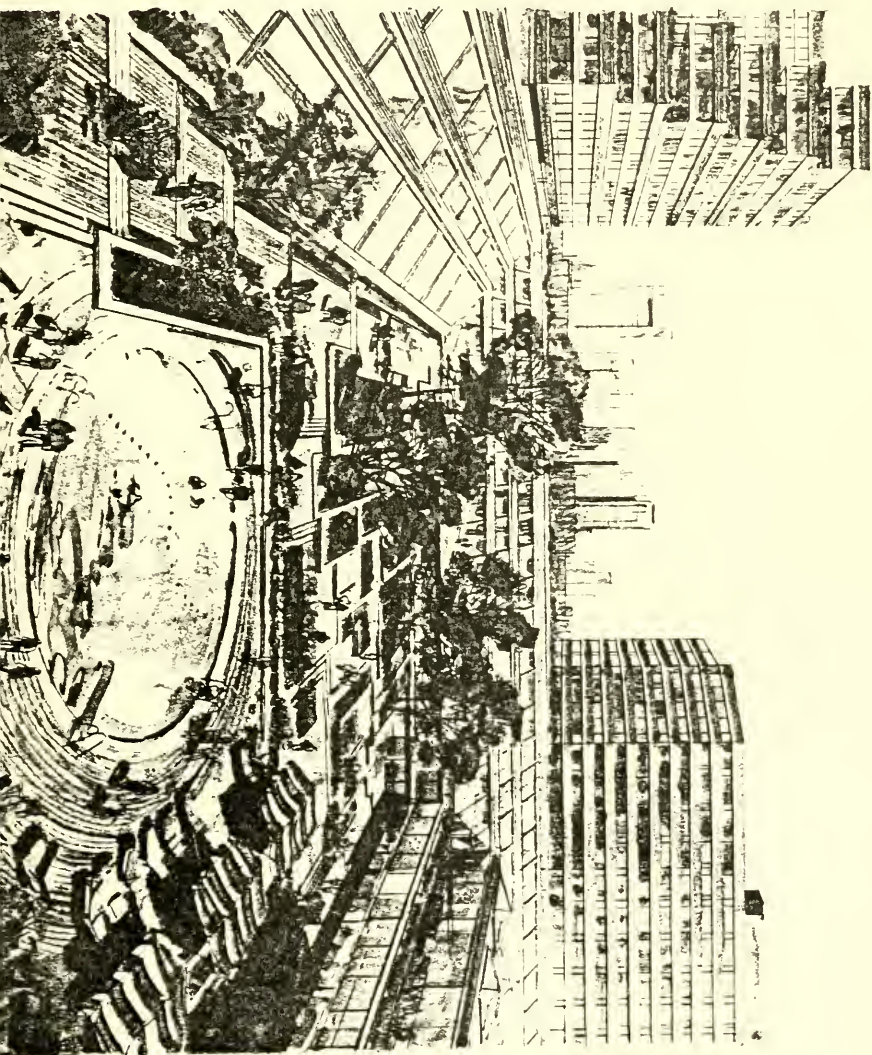
Developer:	Broderick Properties, Inc.
Architect:	Webb, Zerafa, Menkes, Housden, Habib, Inc.
Designers:	Graham, Solano, Ltd.
Planners: Site and Traffic	Charles G. Hilgenhurst and Associates
Counsel:	Csaplar & Bok

PROPERTY OF BRA LIBRARY



PROPOSED HOTEL BOSTON
BRODLICK PROPERTIES INC.

WZMITHABIB INC. ARCHITECTS
GRAHAM SCIANO LTD INTERIOR DESIGN



PROJECT SUMMARY

Property: 24+ acres located on Northern Avenue,
Boston, Mass.

Development Plan: 1200 room convention hotel to be constructed
in two phases of 300 and 400 rooms respec-
tively, commercial and office development on
remaining 6 acres.

<u>Hotel Description</u>	<u>Phase I</u>	<u>Phase II</u>	<u>Total</u>
Number of Rooms	800	400	1,200
Area of Rooms (sq. ft.)	434,000	217,000	651,000
Public & Service Area (sq. ft.)	346,000	125,200	471,200
Total Area	780,000	342,200	1,122,200
<u>Parking</u>	800+	400+	1,200+
<u>Project Cost</u>			
Year 1	22,000,000		22,000,000
Year 2	23,000,000		23,000,000
Year 3		12,000,000	12,000,000
Year 4		12,000,000	12,000,000
Total Cost	45,000,000	24,000,000	69,000,000
Cash Flow	5,515,000	N.A.	14,482,000
<u>Indicated Return</u>	12.1%	N.A.	20.9%

Residual Values: Approximately 5 to 6 acres of prime develop-
ment land for up to 950,000 square feet of
commercial or office space.

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PROJECT DESCRIPTION

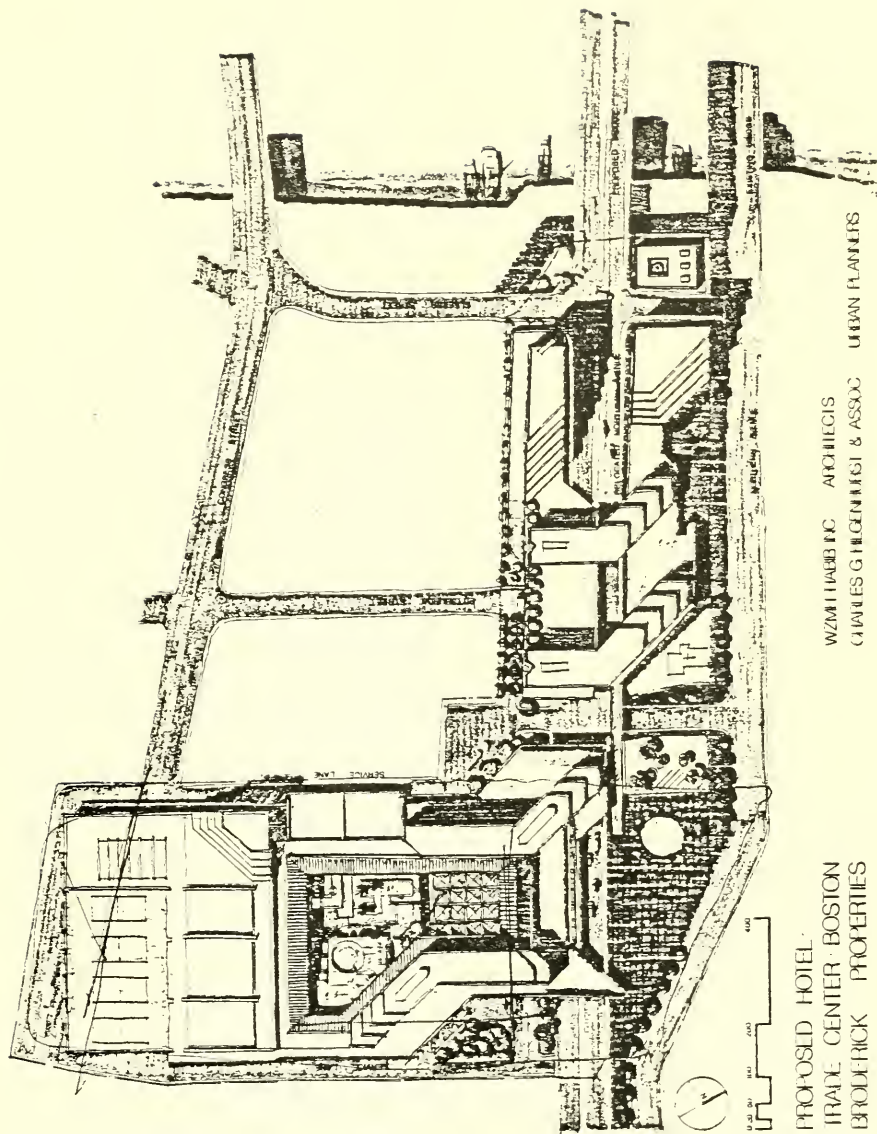
The proposed convention hotel for the Fort Point Channel area has been designed to provide all the facilities needed for a convention hotel of 800 to 1200 rooms. Planning has been based upon the premise that the hotel should be self-sufficient, able to justify itself and conduct all aspects of business associated with a convention hotel without relying upon change in the area.

At the same time, however, it has taken into account other development plans in the Fort Point Channel area including the construction of the proposed new Northern Avenue, the development of the Athanas property, the potential reuse of the Boston Wharf property, and the Childrens/Transportation Museum Complex and the future industrial development under the auspices of E.D.I.C. and Massport.

The resulting design creates a three-story pedestal with an open courtyard, two hotel towers, totaling 800 rooms, and expansion with an additional 400 room tower plus extensive multi-level parking and exhibition space - all the elements needed for a first class convention facility.

In addition, the site plan indicates the adaptability of the proposed hotel for, although it shows the new Northern Avenue, the hotel with its internal traffic pattern can operate with only the present Northern Avenue and Congress Street routings in existence.



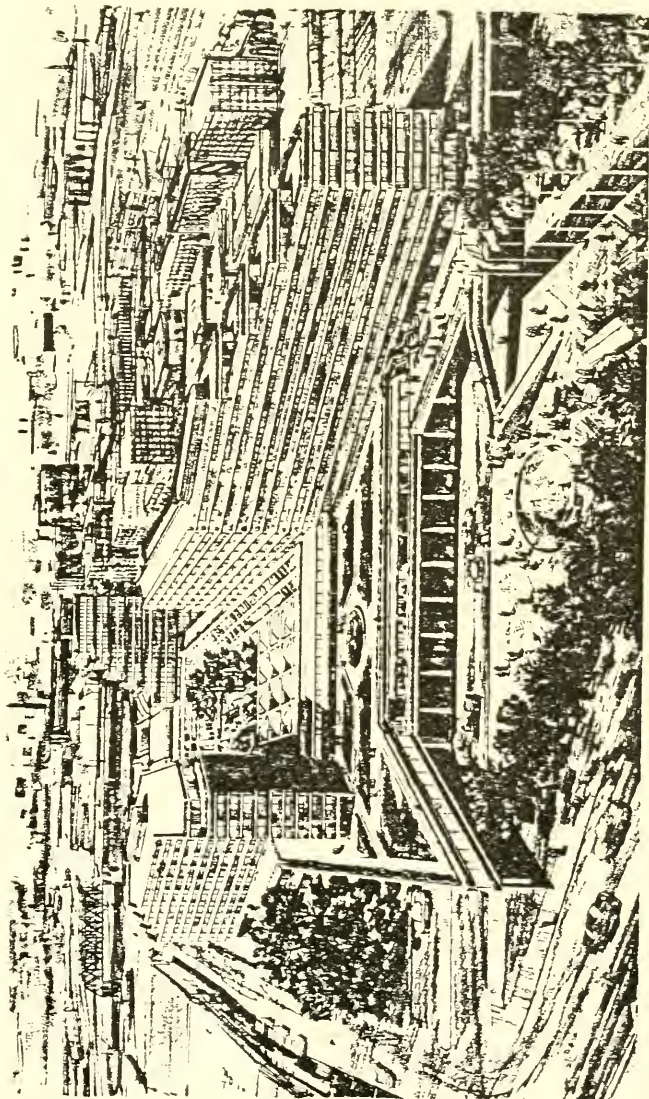




The public areas of the hotel are on three levels. Entrance into the hotel for hotel guests is from the Northern Avenue side. The arriving guests enter at ground level and can either take escalators to the third level for registration or can walk to the third level through the unusual indoor-outdoor atrium, an area which carries planting and landscape on the interior at ground level. As can be seen from the plans, this opens onto a large exterior landscaped garden that rises from ground level to the second floor, which contains the convention area, and finally to the third floor. Throughout this spectacular ascending landscaped area there is a gentle trickle of recycled water and, at the top, the pool and pool terrace.

There is also a separate entrance for convention visitors on ground level which includes coat rooms, check rooms and registration lobbies for the various meetings that may take place. Escalators and elevators service the main convention area on the second floor which contain 14 meeting rooms in addition to two huge banquet rooms which can be utilized as a single room seating 4,000 people.

The third floor contains the normal hotel functions - front desk, shops, restaurants, lounges, etc. The pool, poolside bar and the lobby look out onto the landscaped area while the restaurants and cocktail lounges have been designed to take advantage of harbor views.



HANCOCK HOTEL - BOSTON
LEITCH PROTHES INC.

WAMTHAGE INC ARCHITECTS
GRAHAM SCANO LTD INTERIOR DESIGN



The design of the rooms' towers are especially oriented to bring maximum sunlight into the interior landscaping, while at the same time maximizing the view from each room not only of the landscaped area but also of the potential harbor views and skyline of the downtown area of Boston. In addition, there are a number of suites on the periphery of the internal landscaped area that will be unlike anything else offered in the City.

Phase Two of the development provides for an additional 400 rooms which would bring the total to 1,200 rooms. In addition, it will provide 50,000 square feet of exhibition space, covered parking for 800 cars, a sports and health center, and additional banquet space.

In summary, the hotel has been designed to function as a modern convention facility that will be a most unique and attractive addition to the Boston hotel market.



LOCATION

The Penn Central land located in the Fort Point Channel area has several outstanding advantages for a major convention hotel. (1) Access to the site is excellent because the site provides direct access to the Expressway, either north or south, without traveling through the City. As most hotel-related traffic tends to be during non-peak hours, the airport is only minutes away. Both Congress Street and Northern Avenue in their existing condition provide sufficient access to the hotel property to handle all the foreseeable traffic. If the proposed new Northern Avenue is built, it will improve access, but the utilization of the site is not dependent on its construction. 2) Parking is ample and inexpensive to develop. The site is sufficiently large to accommodate all its parking needs without the reliance upon either further acquisition of neighboring properties or the cooperation and resulting expense to the city in the provision of off-site parking. 3) The location permits the hotel to serve a variety of ancillary markets in addition to self-contained conventions and meetings. The entire South Station office complex, which is becoming the greatest concentration of financial office activity, is within walking distance. It is anticipated that this South Station area will continue to grow in economic importance to the City. The proposed



Marine Industrial Park/Container Port is located in the immediate area. We consider the future industrially oriented growth in this direction a major market for hotel services and meeting facilities. The proposed new arena and the existing Commonwealth Pier Exhibition facilities are also located close to the property. Mutual cooperation between a large hotel and these facilities would prove beneficial to all concerned.

There is no other site of sufficient size to accomodate a major convention hotel servicing Boston at a cost of development competitive with the proposed facility. Any other proposed location has substantially higher costs when acquisition, site work, foundations and parking facilities are all considered. The development of the Long Wharf site and other projected hotels in the South Station complex and on the Athanas property would enhance the area's ability to serve major conventions. The market is sufficiently large to absorb these hotels without adverse effect on them or to the other Boston convention locale at the Prudential Center.

The development of the proposed convention hotel would obviously substantially improve the viability and success of the proposed new arena and the existing Commonwealth Pier facility. The existence of 800 to 1200 rooms would help the Commonwealth Pier facility attract



national trade shows and other activities requiring large amounts of exhibit-type space with a number of hotel and meeting facilities immediately adjacent. If the new arena is constructed, then the existence of first class hotel rooms will make this proposed facility much more attractive and increase its financial feasibility.

The relationship of the hotel to the proposed Industrial Park/Container Port bears further examination. In most cases the natural, and therefore prime, industrial prospects for location in this area are either relatively high technology businesses with a high value added product so that the New England market is competitive with other parts of the World, or they are industries which need to take advantage of the port facilities because of a reliance on some aspect of international trade. Both of these types of activities tend to generate hotel traffic. Indeed, industries with a high technological component usually look for adequate transportation and hotel facilities in their site location procedure.

The success of Cabot, Cabot & Forbes in creating industrial parks for this type of industry is a good example of a similar development situation. It has been their policy, a policy utilized in many of their most successful ventures, to encourage the growth of hotel facilities within or abutting the industrial complex



so that visiting engineers, customers, government officials, etc. can be accomodated with the greatest degree of efficiency and convenience possible. In some cases a hotel was the lead action in the establishment of the marketing effort of these higher technology industrial parks.

For all of the above reasons this 24-acre site appears to provide maximum value to a number of interrelated segments of the economy of the Boston area at the least cost to not only the developer but also to the various governmental agencies involved in that it requires no development expenditure on their part and increases the utilization and viability of other government-sponsored projects.

BOSTON AND THE PROPOSED CONVENTION HOTEL

In August of 1977 the City of Boston/Kevin H. White, Mayor, published "The Boston Plan" which was a comprehensive planning effort to draw together the necessary action to provide for the future economic growth and social revitalization of the City of Boston. A sub-report concentrated on the Harbor area, of which the Fort Point Channel is an integral part. The proposed convention facility falls within the area plan presented by "The Boston Plan" and the "Fort Point Channel Area Planning & Development Study" published by the Boston Redevelopment Authority, Robert M. Walsh, Director, on November 1, 1977. Indeed, the BRA study calls for the development of a major hotel on the Fort Point Channel area. The location of this hotel on the Penn Central plan would be in conformity with the uses for the general area envisioned by this study. Further plans for the general South Boston area were created by the Economic Development and Industrial Corporation of Boston which published a report in July, 1976, dealing with a master plan for industrial growth of the South Boston area utilizing the South Boston Naval Annex. Meetings have been held with both the Boston Rehabilitation Authority and the E.D.I.C. to coordinate the plans for the proposed convention hotel which would provide an estimated \$84,000,000 of private investment in the area and between 1,000 and 1,200 permanent jobs.

As this emerging area is dependent on transportation, meetings have been held with representatives of both the Boston Rehabilitation Authority and the Massachusetts Executive Office of Transportation to assure coordination and site utilization which would not inhibit the options open for future transportation development in the area. The hotel has been designed to accomodate the new Northern Avenue when this proposed road is built.

In May of 1977 the Boston Redevelopment Authority published its study, "Growth Strategy for Boston's Hotel Convention Industry". The study concluded that an additional 3000 hotel rooms were needed in the City, which would yield approximately 1,500 rooms committable to conventions. The developers of the proposed convention hotel feel that other proposed hotels - such as on Long Wharf, in the South Station area, at Dock Square, and at Lafayette Place - do not impinge upon the financial feasibility of the proposed convention hotel. In fact, it is the developer's belief that apart from the convention potentials available, if all the proposed hotels go forward, it will only strengthen the downtown business district as a financial and corporate headquarter center, educational center, shopping center, and tourist attraction. It must be noted that Boston still represents one of the great centers of capital in the country, yet the downtown area and financial district are serviced by only three hotels - the Parker House, Holiday Inn,



and Howard Johnson's. The latter of these two hotels are heavily used by the Tufts New England Medical Center and Massachusetts General Hospital facilities, leaving an extreme shortage of rooms for the business visitor or tourist.

The report further points out the need for additional exhibition space mentioning that Commonwealth Pier is underutilized because of the lack of nearby hotel rooms. Discussions with representatives of Massport indicate that their enthusiastic cooperation can be obtained so that the existing space, coupled with the meeting space in the proposed hotel, will justify the upgrading of the Commonwealth Pier Facility to provide up to 320,000 square feet of exhibition space. With proposed convention complex, Boston could host, in conjunction with other existing and proposed hotels, more conventions that have not been able to come to Boston because of lack of first class hotel rooms and meeting and exhibit space.

The actual saturation point of hotels in the Boston area is unknown because of the inadequacy of present facilities and in many cases obsolescence of the physical plants. Boston is one of the most livable and attractive cities and one of the largest tourist attractions amongst United States cities rivaling San Francisco, New Orleans, Washington and New York. One reason for this extreme

popularity is not only the modern Boston, but its historic past and the proximity to all the New England recreation resources. Moreover, it is one of the few cities in the world that has an airport only minutes away from the downtown area.

COMPETITION

Boston as a city has insufficient hotel rooms to support the amount of economic activity in the area especially when coupled with its desirability as a location for tourists and convention activity.

The most direct competition with the proposed convention hotel is and would continue to be the Sheraton Boston Hotel in the Prudential area complex. This hotel now has 1434 rooms including 147 rooms that offer luxury services at premium rates. This facility combination with the Hynes Auditorium which is owned and operated by the City of Boston is the only major convention center in the City. There is conflict for the space in Hynes Auditorium between its use as an adjunct to the hotel attracting hotel business and conventions and its use to host exhibitions designed to attract the local population.

The other major hotels in downtown Boston are the Ritz Carlton, Copley Plaza, and Parker House. In addition, there are the Park Plaza (formerly Statler Hilton), the Howard Johnson's 57, and Holiday Inn at Government Center. The first three hotels, which charge premium rates, are older properties although extensive rehabilitative and redecorating work has been done. Each commands its own loyal following. The Park Plaza Hotel is an older property and despite redecorating is not considered to be competitive in today's market. The Howard Johnson 57 and Holiday Inn at Government Center are both above-average chain hotel operations and both do exceedingly

well. The Holiday Inn reportedly has an annual occupancy of 92%. The Howard Johnson's 57 and Parker House do substantial meeting and function business, although in both cases the activity is local in nature.

The attached schedule shows hotel rates in the Boston area as of May 1978.

Hotel Rates
Boston Area
May 1, 1978

<u>HOTEL</u>	<u>Rooms</u>	<u>Single Rate</u>	<u>Double Rate</u>	<u>Meeting Rooms # Capacity</u>
1. Sheraton-Boston	1434	\$ 45/53	\$ 57/65	40 10-2500
2. Sheraton Towers	147	60/65	72/77	- -
3. Parker House	546	43/45/48	51/53/56	10-900
4. Copley Plaza	400	44/52/61	52/60/69	11 900-1400
5. Ritz Carlton	270	60/66	65/72	5 12-80
6. Howard Johnsons 57	360	36/46	44/54	750
7. Park Plaza	1200	30/34/36	40/42/44	31 10-1900
8. Holiday Inn Government Center	300	38/40	43/53	1 150
9. Colonnade Hotel	300	54/60	62/68	400
10. Hyatt Hotel Cambridge	488	43/71	56/84	715
11. Hilton Inn East Boston	560	38/46	48/56	350
12. Sonesta Cambridge	200	30/40	35/48	4 500
13. Howard Johnson Kenmore Square	178	29/36	34/45	1 175
14. Howard Johnson SE Expressway	100	28/32	32/39	3 235
15. Sheraton Commander Cambridge	177	27/29	34/38	7 20-500
16. Howard Johnson Cambridge	205	29/36	34/46	7 800
17. Holiday Inn Cambridge	135	27/32	32/38	1 200
18. Holiday Inn Somerville	187	30/40	36/45	1 350

DESCRIPTION OF EXISTING FACILITIES

The Sheraton Boston

The Sheraton Boston was originally built in 1965 at the Prudential Center with 1000 rooms. It now totals 1,448 rooms of which 147 rooms (The Sheraton Towers) feature luxury services at premium rates. At the present time, the Sheraton Boston hosts approximately 40% of the conventions in the Boston area utilizing the extensive convention facilities and direct access to the John B. Hynes Veterans Auditorium. The hotel has a number of meeting and banquet rooms ranging in capacity from 10 to 2500 persons.

The Parker House

The 498 room Parker House at Tremont and School streets was built in 1854 and is operated now by the Dunfey Family Corporation, a subsidiary of AerLingus Irish Airlines. The space has been completely renovated but special care has been taken to maintain the original atmosphere of the public areas. As one of only three hotels in the primary downtown area, it is doing extremely well.

The Copley Plaza

Formerly one of the most popular hotels in Boston, the Copley Plaza went through a long period of decline but as a result of ownership by the John Hancock Insurance Company has resumed its place as a popular Boston hotel. This older property has undergone extensive renovation but still has many limitations of design of its era. The facility contains 450

rooms; it has a main ballroom which is capable of holding 1,100 people theater style or can seat a banquet of 900 people. There are six other function rooms available for smaller groups.

The Ritz Carlton

The Ritz Carlton is located on the corner of Arlington and Newbury Streets overlooking the Boston Public Gardens. Although only 262 rooms, it is considered by many to be the premiere hotel of the City with a standard of excellence and elegance not provided by any other facility. The Ritz Carlton does not cater to groups or conventions to any significant degree.

The Park Plaza Hotel

The Park Plaza Hotel was opened in 1927. Typical of that era, the rooms are by today's standards small and substandard. The hotel has extensive meeting facilities but operates below capacity. Essentially, the business that was formerly attracted to this facility has been redirected to the Sheraton Boston Hynes auditorium complex.

The Colonnade Hotel

Located at 124 Huntington Avenue, south of the Prudential Center, the Colonnade Hotel opened in the fall of 1971. The hotel has been hampered by a lack of affiliation with a major hotel chain or national reservation system. In addition, access into the hotel is difficult from the Mass. Turnpike or the prime section of the Back Bay area. The hotel is a first class hotel and Zachary's restaurant enjoys an excellent reputation.

Hyatt Regency

The new 17 story 488 room Hyatt Regency located in Cambridge on Memorial Drive caters primarily to the high-income business traveler. The hotel is typical of the Hyatt image with a large atrium and a number of function rooms. There are nine meeting rooms and a main ballroom which is capable of accomodating up to 1750 people or a banquet seating of 715. There are a number of first class restaurants and lounges.

The Hilton Inn

Located on Massport land at Logan International Airport, the Hilton Inn, which was originally developed by Sonesta, has 560 rooms. The hotel runs high occupancy Monday through Thursday on individual business. Banquet and meeting facilities are limited to a total capacity of 350 persons. The hotel is not active in the convention meeting market.

Holiday Inn

The Holiday Inn on Blossom Street opened in 1967 with 300 rooms. It is the only Holiday Inn in downtown Boston and achieves extremely high occupancy relying primarily on the Holidex reservation system. It is not active in the meeting or convention market.

The Sonesta Hotel

The Sonesta Hotel, Cambridge, was opened in 1963 and contains 200 rooms. It has meeting facilities for up to 500 people and banquet seating for 240. The hotel offers free parking, an outdoor pool and in-room movies. The hotel used to derive most of its business from downtown Boston; however, the upgrading of the Copley Plaza and Parker House along with the construction of Howard Johnson's 57 and the Holiday Inn have taken away some of this business.

Other hotels in the city such as the Howard Johnson's at Kenmore Square, the Lenox Hotel, various chain and independent hotels in the Cambridge area are essentially transient hotels chosen primarily because of either lower rates or convenience to a particular section of the area.

PROPOSED HOTELS

Because of the serious shortage of hotel rooms in Boston there are a number of proposals being pursued. Amongst these is the Waterfront Hotel to be located at Long Wharf at the foot of State Street is located on Boston Redevelopment Authority land. Eight groups are presently engaged in a design contest for the right to develop the property. The facility will contain 350 to 400 rooms and function space in proportion to the number of rooms.

On the air rights of property owned by the Massachusetts Turnpike Authority at Copley Square, there is a proposal for a large development which will contain substantial retail space plus a hotel, plus office space. The operator for the hotel may be Western International, although no firm commitment has been made. Substantial time has been spent planning this facility; however, to date no firm announcement has been made nor has any commitment been made by the developer to purchase the land. It is uncertain whether or not the development will go forward.

Rose Associates has proposed a 600 to 1000 room hotel on land located in Dewey Square. Sefrius has announced plans for a 300 room hotel to be located on Lafayette Place on Washington Street. A Holiday Inn franchisee has announced plans to develop approximately 400 rooms on Dalton Street near the Prudential Center.

PROJECT COST

The proposed hotel for the Fort Point Channel area of Boston is estimated to cost approximately 69 million dollars when both phases are completed. This cost has taken into consideration an inflation rate of 6% for 3 years in calculating the costs for Phase II.

Consultations with the architects and design consultants have played an integral part in arriving at these maximum costs and some reduction may be made in the overall project costs as a definition of space, construction method and design alternatives progresses.

Care has been taken in the preliminary design to minimize the expense of special construction due to unusual soils conditions and the fact that piles or caissons must be driven to approximately 100 to 200 feet. Each design element has been designed around a light steel structure on a 30 foot grid to provide maximum flexibility in space while reducing foundation costs. The hotel has been specially designed to obviate the need for foundations under the open garden and atrium which is an integral part of the design concept lending to the openness and uniqueness of the project.

Furniture, fixtures and equipment is a complete cost including finishes and include carpeting, finish carpentry, trim, etc. A separate budget for this work has been included.

Proposed Convention Hotel
Fort Point Channel
Boston, Mass.

	Phase I 800 <u>Rooms</u>	Phase II 400 <u>Rooms</u>	Total 1200 <u>Rooms</u>
Land	2,450,000	1,000,000	3,450,000
Construction			
Public Areas	12,110,000	5,215,000	17,325,000
Hotel Towers	13,020,000	7,746,000	20,766,000
Parking	2,000,000	3,618,000	5,618,000
Total	<u>27,130,000</u>	<u>16,579,000</u>	<u>43,709,000</u>
Furniture, Fixtures			
Equipment & Finish	5,074,000	2,000,000	7,074,000
Architect & Engineering	1,883,200	900,000	2,783,200
Engineering Specialties			
Landscape	50,000		50,000
Lighting	50,000		50,000
Cost Control	30,000	20,000	50,000
Supervision	120,000	60,000	180,000
Soils	50,000		50,000
Civil	25,000		25,000
	<u>325,000</u>	<u>80,000</u>	<u>405,000</u>
Interior Design	250,000	125,000	375,000
Permits & Fees	200,000	100,000	300,000
Legal & Accounting	300,000	60,000	360,000
Administration	1,500,000	700,000	2,200,000
Inventory	200,000	50,000	250,000
Preopening Expense	1,000,000	100,000	1,100,000
Financing	<u>5,240,000</u>	<u>2,000,000</u>	<u>7,240,000</u>
Total Project Cost	45,552,200	23,694,000	69,246,200



Proposed Convention Hotel
Fort Point Channel
Boston, Mass.
Phase I - 800 Rooms

Furniture Fixtures and Finishes

Guest Rooms 2600/room (television set rented) 2,080,000

Restaurants

1. 24 hr. restaurant and breakfast room	80,000
2. Lobby bar	100,000
3. Gourmet restaurant	120,000
4. Entertainment and/or ballroom (with stage)	150,000
5. Pool bar	75,000
	<u>\$525,000</u>

Lobbies

1. First floor	50,000
2. Second floor	50,000
3. Third floor	75,000
	<u>\$175,000</u>

Banquet Rooms

\$300,000

Equipment

Kitchens	1,000,000
Laundry	225,000
Food and beverage	325,000
Banquet equipment	115,000
Housekeeping	125,000
	<u>\$1,790,000</u>

Operating Equipment and Accessories

1. Bar & restaurants accessories	50,000
2. Banquet accessories	65,000
3. Engineering, operating equipment	50,000
4. Uniforms	40,000
5. Communication & paging	35,000
	<u>\$240,000</u>

Supplies

1. Food & beverage	30,000
2. Stationary	12,000
3. Guest supplies	30,000
4. Laundry & valet	12,000
5. Linen	25,000
6. Cleaning	18,000
7. Engineering	25,000
8. Menues	12,000
	<u>\$164,000</u>

Total

\$5,074,000

PROFORMA OPERATING INCOME

The attached proforma operating income for 800 rooms is based upon the estimated average room rate of the Sheraton Boston at 1978 rates. An assumption has been made that the average single room rate would fall midway between the low of \$45 per day and the high of \$53 per day and that 65% of the business would be single room business. Similar assumptions have been made for the rate range of \$57 to \$65 per day for double occupancy and an assumption of 35% of the business at this rate. As a result of the above, an average room rate of \$53 per day has been used to calculate the proforma income. The mix of single and double occupancy is more conservative than indicated by Harris, Kerr, Forster data.

Because convention hotels have a food and beverage business that is considerably greater than the normal transient hotel, a food and beverage revenue of 120% of rooms revenue has been used. The above-average food and beverage income is a result of captive business from utilization of the hotel as a convention headquarters.

Operating expenses are in line with those reported by Harris, Kerr, Forster in their 1977 U.S.A. edition of Trends in the Hotel-Motel Business when the rates reported are adjusted to the Boston market.

Rooms department costs have been carried at 20% of gross rooms revenue. The rooms operating costs are a reflection

of the cost of labor and materials which are reasonably consistent throughout the New England/Middle Atlantic area. The Harris, Kerr, Forster report indicates a 29.9% cost of operation; however, the average room rate reported is \$31.74 and the highest category of hotel is \$35.10 nationwide. There is no major first class hotel in Boston that charges that low a rate. Therefore, an adjustment has been made to compensate for specific market differentials.

An operating cost of 75% of food and beverage income is consistent with the reported profitability of similar type hotels. Their report indicates for New England a 23% profit margin on food and beverage operations and for hotels in large cities of 24.2%. Considering that there is a large amount of captive business with any convention type facility, an average rate of return should be easily obtained.

General and administrative expenses have been calculated both from past experience of the developers in their knowledge of numerous hotel properties and by reference to the Harris, Kerr, Forster Company report. Again, an adjustment must be made to compensate for the differences in average reported room rates and anticipated room rates for new major properties in large cities. The Harris, Kerr, Forster report for the sake of consistency keeps a large mix of older hotels in the larger cities which have not seen an increase in rates. As a result the total general expenses of operations has been calculated 19.8% at 70% occupancy and, with increases in

occupancy, appropriate increases have been made in energy costs, maintenance and repairs. It is considered that administrative expenses are in the short run relatively fixed and so have been maintained at a constant level of approximately 1.5 million dollars per year. The operating profit of 30% and 70% occupancy is consistent with the figure reported by Harris, Kerr, Forster for hotels built during the past 15 years with over 500 rooms which averages 71.7% occupancy and an average room rate of \$35.57.

The second proforma indicates expansion to 1200 rooms at 70% occupancy at today's costs. However, as it takes up to five years to realize the national convention business, it is anticipated that there would be a three year delay before commencing construction and five year delay before opening the last 400 rooms. If an inflation rate of 6% per year is applied to the costs entailed, then the figure shown by the third projection would indicate an operating profit of between 15 and 18 million dollars before taxes and debt service. This operating profit should be more than sufficient to cover the anticipated total project costs of \$69,000,000.

Boston Convention Hotel

Proforma Income

800 Rooms

1978 Rates

(\$ in 000)

	<u>70%</u>		<u>OCCUPANCY</u>		<u>80%</u>	
	\$	%	\$	%	\$	%
<u>Income</u>						
Rooms	10,833	43.7	11,607	43.7	12,381	43.8
Food & Beverage	13,000	52.4	13,928	52.5	14,857	52.6
Telephone	480	1.9	500	1.9	520	1.8
Other Income	500	2.0	500	1.9	500	1.8
Total	24,813	100.0	26,535	100.0	28,258	100.0
<u>Operating Costs</u>						
Rooms	2,167	8.7	2,321	8.7	2,476	8.8
Food & Bev.	9,750	39.3	10,446	39.4	11,142	39.4
Tel.	550	2.2	550	2.1	550	1.9
Total	12,467	50.2	13,317	50.2	14,168	50.1
Operating Income	12,346	49.8	13,218	49.8	14,090	49.9
<u>General Expenses</u>						
Administrative	1,489	6.0	1,489	5.6	1,489	5.2
Adv. & Promotion	943	3.8	967	3.6	991	3.5
Heat, Light, & Power	1,241	5.0	1,272	4.8	1,272	4.5
Maintenance & Repairs	1,241	5.0	1,272	4.8	1,303	4.6
Total	4,914	19.8	5,000	18.8	5,055	17.8
Operating Profit	7,432	30.0	8,218	31.0	9,035	32.1

Boston Convention Hotel

Proforma Income - 1978

1200 Rooms

(\$ in 000)

	70%		OCCUPANCY 75%		80%	
	\$	%	\$	%	\$	%
<u>Income</u>						
Rooms	16,250	43.5	17,411	43.6	18,571	43.7
Food & Bev.	19,500	52.2	20,893	52.3	22,285	52.4
Telephone	600	1.6	625	1.6	650	1.5
Other Income	1,000	2.7	1,000	2.5	1,000	2.4
Total	<u>37,350</u>	<u>100.0</u>	<u>39,929</u>	<u>100.0</u>	<u>42,506</u>	<u>100.0</u>
<u>Operating Costs</u>						
Rooms	3,250	8.7	3,482	8.7	3,714	8.7
Food & Bev.	14,625	39.2	15,670	39.2	16,714	39.3
Tel.	600	1.6	600	1.5	600	1.4
Total	<u>18,475</u>	<u>49.5</u>	<u>19,752</u>	<u>49.4</u>	<u>21,028</u>	<u>49.4</u>
Operating Income	<u>18,875</u>	<u>50.5</u>	<u>20,177</u>	<u>50.6</u>	<u>21,478</u>	<u>50.6</u>
<u>General Expenses</u>						
Administrative	2,241	6.0	2,236	5.6	2,210	5.2
Adv. & Promotion	1,419	3.8	1,437	3.6	1,488	3.5
Heat, Light, Power	1,868	5.0	1,917	4.8	1,913	4.5
Maintenance/Repairs	1,868	5.0	1,917	4.8	1,955	4.6
Total	<u>7,396</u>	<u>19.8</u>	<u>7,507</u>	<u>18.8</u>	<u>7,566</u>	<u>17.8</u>
Operating Profit	<u>11,479</u>	<u>30.7</u>	<u>12,670</u>	<u>31.8</u>	<u>13,912</u>	<u>32.8</u>

PROPERTY OF BRA LIBRARY

Boston Convention Hotel
 Proforma Income - 5th Year
 1200 Rooms
 (\$ in 000)

O C C U P A N C Y

	70%		75%		80%	
	\$	%	\$	%	\$	%
<u>Income</u>						
Rooms	\$21,775	43.5	23,331	43.6	24,885	43.7
Food & Bev.	26,130	52.2	27,997	52.3	29,861	52.4
Telephone	804	1.6	838	1.6	871	1.5
Other Income	1,340	2.7	1,340	2.5	1,340	2.4
Total	<u>50,049</u>	<u>100.0</u>	<u>53,506</u>	<u>100.0</u>	<u>56,957</u>	<u>100.0</u>
<u>Operating Costs</u>						
Rooms	4,355	8.7	4,666	8.7	4,977	8.7
Food & Bev.	19,598	39.2	20,998	39.2	22,397	39.3
Telephone	804	1.6	804	1.5	804	1.4
Total	<u>24,757</u>	<u>49.5</u>	<u>26,468</u>	<u>49.4</u>	<u>28,178</u>	<u>49.4</u>
Operating Income	<u>25,292</u>	<u>50.5</u>	<u>27,038</u>	<u>50.6</u>	<u>28,779</u>	<u>50.6</u>
<u>General Expenses</u>						
Administrative	3,003	6.0	2,996	5.6	2,961	5.2
Adv. & Promotion	1,901	3.8	1,926	3.6	1,994	3.5
Heat, Light, Power	2,503	5.0	2,569	4.8	2,563	4.5
Maintenance/Repair	2,503	5.0	2,569	4.8	2,620	4.6
Total	<u>9,910</u>	<u>19.8</u>	<u>10,060</u>	<u>18.8</u>	<u>10,138</u>	<u>17.8</u>
Operating Profit	<u>15,382</u>	<u>30.7</u>	<u>16,978</u>	<u>31.8</u>	<u>18,641</u>	<u>32.8</u>



Taxes-Boston Hotel Property

	<u>Assessment</u>	<u>Taxes</u>	<u>Rooms</u>	<u>Taxes Per Room</u>
Holiday Inn Blossom Street	870,000	222,720	296	756
Howard Johnsons 57	1,600,000	409,600	360	1,137
Colonnade	738,000	188,928	300	630
Parker House	2,276,000	582,656	546	1,067

RETURN ON INVESTMENT

The accompanying calculation is based on the proforma income from operations. For the purposes of this analysis a first year operating occupancy of 70% has been used as a conservative measure of occupancy during the first full year of operations. From the cash flow from operations have been deducted real estate taxes estimated at today's rates and a reserve for replacement based on $4\frac{1}{2}\%$ of gross revenue. Today's rates have been used under the assumption that increases due to inflation will tend to benefit the hotel as certain costs remain more nearly fixed and determinable over a period of time. After both of these deductions there remains a net cash flow before income taxes of \$5,515,000 which represents the 12.1% return on the total project cost.

In order to assess the profitability of the project over a period of time, a 75% occupancy has been selected as a stabilized occupancy rate for the project based upon 1200 rooms being in operation in the fifth year. An amount of cash flow from operations would be \$18,641,000. Taxes have been adjusted upward from \$1,000 per room to reflect 5 years of inflation at 6%. The reserve for replacement has been maintained at $4\frac{1}{2}\%$ but on a substantially higher base. The net cash flow before income taxes then becomes \$14,482,000 or a return of 20.9% on a total project cost of \$69,246,200 which also includes an inflation factor for Phase 2.

Convention Hotel
Fort Point Channel
Boston, Mass.

Return on Investment

	First Year 800 Rooms <u>70% Occupancy</u>	Fifth Year 1200 Rooms <u>75% Occupancy</u>
Cash Flow From Operations (1)	7,432,000	18,641,000
Real Estate Taxes (2)	800,000	1,596,000
Reserve For Replacement (3)	1,117,000	2,563,000
Total	<u>1,917,000</u>	<u>4,159,000</u>
Net Cash Flow Before Income Taxes	5,515,000	14,482,000
Project Cost	45,552,200	69,246,200
Return on Project Cost	12.1%	20.9%

- (1) From Proforma Income Statements
- (2) Estimate on the basis of taxation of Holiday Inn, Howard Johnson's 57, Colonnade and Parker House as comparables.
- (3) Calculated at $4\frac{1}{2}\%$ of Gross Income.

ARCHITECT AND DESIGNER

Broderick Properties Inc., after extensive research and consideration, has selected the firms of WZMH Habib Inc., Architects, of Cambridge, and Graham Solano Ltd., of Woburn, Interior Designers, to work as a team on their multi-million dollar hotel and trade center development on Northern Avenue in Boston.

WZMH Habib Inc. and their parent firm Webb, Zarafia, Menkes, Housden and Habib, Inc. of Toronto are recognized internationally for their participation in the design of large award winning urban developments and hotels as well as projects in the institutional, educational, commercial and residential fields.

Graham Solano Ltd., Interior Designers, having participated with some of the major architectural firms in the design of hotels, nationally and internationally, from North America to Europe, the Middle and Far East, has been asked by Broderick Properties Inc. to join once again with WZMH Habib Inc. to work as a team on this important development in Boston.

The combined portfolio of the two firms includes over fifty hotels, in addition to a large number of major urban designs and office buildings; completed or in various stages of design or construction, owned and/or operated by the major hotel corporation, developers and institutions.

Some of the projects included in the team's combined experience are Hyatt Regency Hotels in Toronto and Vancouver; Inn on the Park Hotels in Toronto, Montreal, Ottawa, and London, England; Four Seasons Hotels in Toronto, Paris, Rome, and Natanya, Israel; Hilton Hotels in Quebec City and Toronto (winning design of competition); and the International Trade Center in Dubai.

In the office building and urban design fields, completed projects include the 2,225,000 square foot Royal Bank Plaza in Toronto; the Department of External Affairs Headquarters in Ottawa; the 4,300,000 square foot Place Guy Favreau in Montreal (a joint venture); and the Toronto Metro Centre, with its Communication Tower, the world's tallest freestanding structure (also a joint venture). When combined with the above mentioned hotel developments, this list demonstrates the international recognition of the proficiency of the architects and interior designers and illustrates their ability to undertake this delicate assignment.

BRODERICK

SYNOPSIS OF PRINCIPALS

Broderick Properties is engaged in the acquisition and development of real estate properties. Although the company is newly formed, the principals have brought with them considerable experience in both the real estate and general business fields.

James S. Craig was President of Boston Waterfront Development Corporation which developed Lewis Wharf, a nationally recognized project that achieved the conversion of an historic granite building into luxury condominiums and offices. Previously, Craig was Vice President of Development for the Hotel Corporation of America and in that capacity was responsible for the planning and development of 13 major hotels with a total of more than 5,000 rooms and a composite value over \$170,000,000. In addition, Craig was involved in the development planning of another five hotels with 2,600 rooms in all. The hotels developed were spread throughout the United States, Belgium, Bermuda, the Bahamas, Canada, England, Equador, and West Germany.

Austin A. Heath has long been actively engaged in real estate financing. Among the projects for which Heath has arranged financing is Lewis Wharf - at the time, the largest condominium project in the Boston area. He has also placed financing for a number of hotels. For example, as an officer of the advisors of Holiday Inns Investors, a proposed R.E.I.T, Heath negotiated for over \$55,000,000 of construction and permanent financing on hotel properties. Previously, Heath was Treasurer of O.S. Walker Company, Inc., a closely held, diversified manufacturing company with plants in California, Massachusetts and the Netherlands.

Frank H. McCourt, Jr. is Chairman and President of the McCourt Company, Inc., a holding company with operations in real estate development, general contracting, and the development and manufacture of optical electronic systems.

John F. Bok is a lawyer and partner in the Boston law firm of Csaplar and Bok. In addition to an extensive practice, Bok has been responsible for drafting legislation governing condominiums, historic districts, zoning, and architectural control. Among major real estate developments in which he has been involved are the new Hyatt Regency Cambridge, Lewis Wharf, Old City Hall, One Beacon Street, a major Boston office building, and many others.

In summary, all of Brodericks principals are presently involved in the rehabilitation and development of Union Wharf, a major mixed-use project on Boston's waterfront.

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A GROWTH STRATEGY FOR BOSTON'S HOTEL & CONVENTION INDUSTRY

Boston Redevelopment Authority
Robert F. Walsh, Director

City of Boston
Kevin H. White, Mayor

May 1977

INTRODUCTION

In early 1976, the Boston Redevelopment Authority, recognizing the importance of convention business to the local economy, undertook a study to determine what public actions were necessary, or advisable, to enhance Boston's ability to compete for convention business.

Working with the non-profit Greater Boston Convention and Tourist Bureau, Inc., it was decided that the study should identify the relationship between available hotel rooms and exhibit spaces and evaluate what potential convention market Boston might attract given additional facilities and resources.

In carrying out this study, information and guidance were obtained from the Convention Bureau, the City of Boston Auditorium Commission, and various surveys and trade documents.

The report which follows presents an analysis of Boston's Convention/Hotel Market, Convention Hall Market, and the Commonwealth's and City's contribution to the convention industry.

Robert F. Walsh
Director
Boston Redevelopment Authority

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SUMMARY

Conclusions / Recommendations

1. Boston must improve its hotel/convention facilities if it is to remain competitive with other cities.

The strength of Boston's convention/hotel market is threatened. Expansion of facilities by Boston's competitive cities as well as changes in hotel ownership (the Statler-Hilton, for instance, will no longer be part of a national chain) are indications that the city needs to improve its hotel and exhibit facilities.

2. In order to optimize its competitive position, Boston needs convention-oriented hotel rooms providing 1,600-1,800 rooms and located in proximity to its convention facilities.

Although one might consider the analogy of the chicken and egg in deciding whether convention hotel rooms or exhibit space is more important, it does appear that first priority should be given to the provision of some 1,600-1,800 new convention-oriented hotel rooms that are located in proximity to the city's existing convention facilities. These rooms are necessary in order to upgrade the number and quality of convention rooms, attract a greater share of the potential meeting market to Boston, and maximize the utilization of Hynes Auditorium.

Currently, the city has a base of 2,500 hotel rooms committable for a city-wide convention. It is estimated that Boston needs about 4,000 committable rooms in order to optimize its present market position. Using the rule of thumb that one-half of a city's hotel rooms are available for a city-wide convention, an additional 3,000 hotel rooms, yielding 1,500 committable convention hotel rooms, would provide the needed increase. The renovated Boston Park Plaza Hotel of 800 rooms, a new convention hotel of 1,000 rooms, and several smaller properties providing 600-800 rooms would give the city its optimum hotel facilities.

3. The Auditorium Commission and the Convention Bureau should jointly fund the hiring of a consultant who would, with the assistance of the BRA, make a thorough study of Boston's convention market and determine whether expansion of Hynes - or a new auditorium - would best respond to this market.

In addition to the need for more hotel rooms, it is also evident that Boston is now reaching the point where an expansion of its convention facilities may be warranted in order to remain competitive as well as to stimulate additional hotel development. Currently the John B. Hynes Veterans Auditorium is operating at near capacity and many conventions have outgrown the facilities. Additional space could perhaps be provided by adopting a policy which limits the types of shows booked at Hynes or by undertaking an expansion of Hynes. Additionally, the city could construct a new public facility or make various public improvements which would stimulate a new private facility.

A second phase study, therefore, is needed in order to evaluate in more detail what types of convention business might be attracted by expansion of convention facilities, the economic feasibility of expanding Hynes Auditorium or constructing a new facility, and what State assistance will be needed to carry out an expansion program. The study would also identify what business might be lost if only existing facilities are available.

4. A representative of the Mayor should be designated to orchestrate the City of Boston's role in expanding the hotel/convention industry.

Efforts to secure new hotel development and expand convention business often involve a full range of sometimes contradictory planning, development, promotion, fiscal and monetary considerations. To insure that Boston's efforts are coordinated, that there is adequate representation of the city at conventions, and that data on those attending conventions is collected and evaluated, it seems appropriate that the Mayor designate a representative for the city.

5. The Convention Bureau and the City of Boston should jointly work out with the Commonwealth a more equitable distribution of monies which result from convention/tourist expenditures in order to stimulate expansion of this industry.

The current revenue formula on convention-related taxes (meals, sales, etc.) benefits the Commonwealth as opposed to the City of Boston on more than a two-to-one basis. It is estimated that each conventioneer in Boston spends an average of \$85 per day. The city's return, in the form of real estate taxes, is \$2.50. In contrast, the Commonwealth receives approximately \$5.10 of the average conventioneer's daily expenditures. At the same time, the Commonwealth does not have to provide any of the services, such as police, fire and sanitation, that the city must provide for convention visitors, nor does it have to pay for the operation of Hynes Auditorium.

Indeed, for most of the cities competitive with Boston, the states share to a large extent in the annual operating deficits and the cost of promoting convention business.

The Commonwealth does return a portion of the room tax to the Convention Bureau to cover some of the expenses involved in promoting and administering convention trade in Boston, but as of June 30, 1977, the room tax will go into the Commonwealth's general fund. Although the Convention Bureau will continue to be funded, it will be subject to legislative action each year. It is therefore essential that the Commonwealth increase the level of funding in the future to the Convention Bureau so that the city will have the incentive to expand its hotel/convention facilities.

THE CONVENTION HOTEL MARKET

Boston competes with many other American cities for convention business (see Table 1, p. 20) and now needs to consider the feasibility of enlarging its capacity for convention activity in order to improve its competitive position relative to these other cities. This can be done by examining the convention-oriented hotel, meeting and exhibit facilities that now exist in Boston and determining whether, and how, they might be expanded.

The Convention Hotel Market

A convention hotel, as opposed to a commercial hotel/motel facility, has its own ballrooms, meeting rooms and promotional staff. But, as is the case with the Sheraton-Boston, not all convention activities can be accommodated within the hotel itself. Convention hotels depend upon other hotels for rooms and upon public facilities, such as Hynes Auditorium, for large meeting and exhibit facilities. The Sheraton-Boston Hotel, for example, utilized Hynes Auditorium for one-third of the 75 conventions at the hotel in 1976.

Thus, in evaluating the potential for additional hotel rooms, three factors should be considered:

- (1) the adequacy of existing hotel/convention facilities;
- (2) the market for additional convention-based hotel business;
- (3) the adequacy of existing public meeting facilities.

Boston's convention/hotel facilities are currently inadequate both in terms of number and quality of rooms. Because the Boston Park Plaza Hotel will not be part of a national chain, this property will not have the same drawing power it previously had in attracting conventions which use their own meeting facilities as well as those of Hynes. In addition, the renovation plans for this hotel have not been finally established.

As Table 2 (p. 21) indicates, Boston currently has 3,305 committable rooms. This total includes several inexpensively priced properties which most conventions would not consider. The American Academy of

Family Physicians (Exhibit 1, p. 29) will not return to Boston unless the hotel accommodations are improved. A more detailed survey of the convention market is required in order to establish how many more conventions are in this category.

Along with the issue of room quality is that concerning the degree to which Boston is maintaining a competitive position in hotel-based conventions. The International Association of Convention and Visitors Bureaus lists 7,000 national conventions, some 6,500 of which could take place solely within a convention hotel. In 1976, Boston attracted 283 conventions. Excluding the 25 which were held at Hynes, the city was capturing 4% (258 of 6,500 conventions) of the market. The Sheraton-Boston alone accounted for one-third of this business.

A study for a recently proposed convention hotel in Boston noted that a major hotel of approximately 800 rooms in the right location, operated by a national chain experienced in promotion and with adequate meeting facilities, could generate enough new business to be a viable investment without requiring any additional public convention facilities. The market study indicated that the hotel could generate 60% of its business based on conventions, 60% of which had never come to Boston.

Beyond the issues of the number and quality of hotel-based convention facilities is a concern for the availability of a sufficient number of rooms to serve Hynes Auditorium. The convention market which this facility attracts consists of some 250+ conventions; 13 of these groups require 2,800-3,300 hotel rooms, 14 need 3,301-4,000 rooms. If one discounts the Boston Park Plaza Hotel, the city now has only 2,800 committable rooms. If the inexpensive hotels were also discounted, this total would be reduced to 2,500 rooms. These totals are far below the 3,400-4,000 rooms needed in order to attract the larger, first-class conventions. It is these groups which will maximize the utilization of Hynes Auditorium, book a large number of hotel rooms in the city, and spend at least \$85/day on food, retail sales, etc.

Given the need to increase the number and quality of convention hotel rooms in Boston, it is estimated that the development of several smaller properties totaling 600-800 rooms is required, in addition to a single large convention hotel of 1,000 rooms, in order to provide the city with approximately 4,000 committable hotel rooms.

A rule of thumb used in estimating the availability of committable rooms for a city-wide convention is to take 50% of the total room count. Assuming one-half of the total number of projected rooms (1,800 through new construction plus 800 renovated rooms in the Boston Park Plaza Hotel), one arrives at a net total of 1,300 rooms. If this total is then added to the base of 2,500 committable rooms presently available in Boston, one arrives at the 3,800 committable rooms the city needs to optimize its present market position.

There is interest on the part of several developers so that a total of 600-800 rooms could be produced, in addition to a large convention hotel of 1,000 rooms. That number probably represents the total number of rooms the city can absorb unless there is a significant expansion of the local economy and a further investment by the city in public convention facilities.

Three additional points should be made about hotel-related convention business in Boston. First, it is essential that the Boston Park Plaza Hotel carry out the proposed renovation plans. Many convention cities, Philadelphia and Cleveland, for example, have lost significant business because their hotels and adjacent areas have been allowed to deteriorate.

Second, even with the conversion of the Boston Park Plaza Hotel to a moderately-priced hotel, Boston has, in contrast to its major competitive cities, a higher proportion of deluxe to moderately-priced rooms (see Table 3, p. 23). Because there exists a market in Boston for moderate-price conventions, consisting of educational and scientific groups, it would appear that a portion of the new construction should be focused in this price range.

Third, it is of critical importance that priority be given to those additional hotel facilities which will be constructed in proximity to Boston's convention facilities and that these properties include their own meeting space. These characteristics would ensure that the city would bring in new convention-related business as opposed to competing for the same local hotel market.

THE CONVENTION HALL MARKET

Beyond a new convention hotel and some additional properties totaling some 600-800 rooms, it is unclear whether there is a market for more hotel rooms without additional meeting facilities.

In fact, as one analyzes the convention facilities of Boston's competitive cities, the occupancy rate of Hynes Auditorium, the convention market and the characteristics of other facilities in Boston, it becomes clear that the city is now reaching the point where an expansion of its facilities may be warranted in order to remain competitive as well as to stimulate additional hotel development.

Table 1 indicates the number of hotel rooms and the convention facilities available at Boston's competitive cities. Thirteen of the eighteen cities have larger exhibit space. Whereas only six cities have more hotel rooms within eight blocks of the meeting facility, twelve of the eighteen cities have more hotel rooms within the metropolitan area. These facts would seem to indicate, on a comparative basis, that additional meeting space is justified in order to attract more hotels.

An analysis of Hynes Auditorium over the past four years (see Table 4, p. 24) indicates that the number of conventions has almost doubled, from 14 to 25, and the number of trade, gate and public shows* has decreased. In spite of this shift in mix of shows, the gross income has increased and a high rate of occupancy has been maintained. Increasing fuel and labor costs account for the deficit which has grown in four years from \$23,000 to \$108,000.

The variation and shift in the mix of shows is not a function of the availability of hotel space. It results from the lack of a broad commitment until recently in convention promotion and from a continued policy on the part of the City of Boston to minimize the deficit of the hall by managing various show services on an exclusive basis.

This past year (1976) can be considered a good model year in assessing the operation of Hynes Auditorium. There was a low deficit, a large number of conventions, and a high rate of occupancy. If Hynes Auditorium

* See Definitions, p. 17.

eliminated some gate and trade shows - and were willing to absorb a higher deficit - it would be possible to accommodate a maximum of 35 conventions each year. But even with these changes in policy to allow for more conventions, Hynes Auditorium, with 25 conventions last year, is close to the maximum number of conventions which can be held at that facility.

Convention Bookings 1977 - 1979*

<u>Year</u>	<u>Number of Regional/National Conventions</u>
1977	18
1978	24
1979	23

* Confirmed as of January 1, 1977.

Several factors work against the adoption of a policy which would increase the number of conventions at Hynes Auditorium as suggested by Patrick Birmingham (see Exhibit 2, p. 30).

1. Trade shows, such as the Home Show, Gift Show, and dental conventions, play an important role in the region's economy.
2. Except for the New England Hotel/Motel Show, the trade shows are not easily accommodated in Commonwealth Pier because of the lack of hotel rooms and meeting rooms nearby.
3. Most trade and gate shows would prefer to be in a public rather than a private facility (Hynes vs. Commonwealth Pier) because the management of private facilities like to participate financially in the shows held in their halls.
4. Convention business fluctuates because most national conventions are unwilling to book the facility for consecutive years, but gate and trade shows are annual events.
5. Gate shows pay a higher rental rate, which helps cover the deficit at Hynes Auditorium. If five of the major gate shows were moved from Hynes Auditorium and the space filled with conventions, which is an unlikely assumption, it has been estimated the Auditorium deficit would increase by an additional \$100,000.
6. Many public events, such as school graduations, cannot be moved because of a legal commitment to provide them space at Hynes Auditorium (see Exhibit 3, p. 31).

7. Many of the gate and trade shows are held at times of the year when there is a minimum of convention business (see Exhibit 4, p. 35).
8. The management of Hynes Auditorium must balance the need to minimize the deficit with the desire to provide time for conventions. (If, on the other hand, the Commonwealth returned some portion of the hotel and meals tax to the city, there would be a greater incentive to provide more convention business at the possible expense of booking some consumer gate shows.)

It is apparent, then, that changes in policy regarding the use of Hynes Auditorium would not result in attracting significantly more conventions. It is equally apparent, contrary to Birmingham's arguments, that the gate and trade shows now allowed to use the facility are of some benefit to the Auditorium itself and to the city's economy.

Add to these arguments the growing pressure for expansion of Hynes because of the space needs of conventions.

Many meetings which have come to Boston in the past now find that they have outgrown the space at Hynes (see Exhibit 5, p. 36, from the American Dietetic Association). A more detailed survey of the convention market would be required in order to substantiate how many conventions are in this category and what additional facilities would be required in order to bring them back to Boston.

The International Association of Conventions and Visitors Bureaus maintains a comprehensive listing of some 7,000 conventions, which gives the general hotel room and meeting space requirements of each of these groups. This list was utilized to identify the potential market in Boston of groups that (1) could be accommodated just in Hynes Auditorium (conventions requiring meeting room/auditorium facilities for a minimum of 2,000 persons) and that (2) would require a larger facility than Hynes (more meeting rooms, exhibit or auditorium space).

In the first category, some 266 conventions were identified which would or have come to Boston. The city attracted 25 of these conventions in 1976, and has been averaging about 20 conventions per year over the past four years, capturing 8% of this market. This appears to be near Boston's maximum potential since such conventions tend to circulate around the country on a 10-year cycle.

An additional 100 conventions were identified (see Table 5, p. 25) which might come to Boston if a larger facility were available; approximately half of these would require a larger auditorium, the other half a larger exhibit hall. Further, some 3,500 to 4,500 additional hotel rooms would be required for 69 of these conventions; 24 would require larger meeting facilities but no additional hotel rooms. Thus, if a larger facility were to be provided, Boston would have to double the number of committable rooms available in order to attract 69 of the potential additional conventions.

DEVELOPMENT OPTIONS

A number of options exist for providing the facilities which will attract this market:

1. Better utilization of existing resources, including Hynes Auditorium, Commonwealth Pier, and Boston Garden.
2. Enlargement of Hynes Auditorium.
3. Construction of a new facility or public improvements in conjunction with a new convention hotel.

Clearly, one or another of the above alternative improvements must precede the addition of hotel rooms beyond those previously cited.

OPTION 1: EXISTING RESOURCES

Commonwealth Pier

Commonwealth Pier has recently been renovated, but because of the layout of the building it will continue to function primarily as a trade and gate show facility. Very few of the conventions which have either previously come to Boston or which might be interested in coming to Boston would be interested in this space because it lacks an auditorium and adjacent hotel space. The proposed berthing of the ship United States and its conversion for use as a hotel might solve the latter problem.

If certain of the gate and public shows were transferred from the Hynes Auditorium to Commonwealth Pier, additional booking time would become available for about five more conventions at the Hynes. The Hynes Auditorium deficit would increase because it makes proportionally more money on gate shows. But the larger deficit might be an acceptable alternative if it were certain that more conventions could be attracted by Hynes once the gate and trade shows were moved to Commonwealth Pier.

Hynes Auditorium

As discussed previously, if Hynes were operating at maximum convention occupancy, assuming possibly a larger deficit and holding fewer gate shows, it could handle approximately 30-35 conventions per year. The cost of such a policy decision has been estimated at about \$100,000 per year.

Boston Garden

A major drawback of the city's current facilities is the limited size of the auditorium space. If Boston Garden could be utilized as a meeting hall, seating 10,000 as opposed to 5,000 at Hynes, this deficiency might be overcome. While this option should be explored further, however, there are some inherent limitations to Boston Garden, including: no air conditioning, lack of meeting rooms, its distance from hotels and the present exhibit facilities, and the difficulty of scheduling space in prime meeting months.

In sum, it appears that beyond freeing the Hynes to serve more conventions, and providing hotel space adjacent to Commonwealth Pier, there are clear limitations in the combined use of the Boston Garden, Commonwealth Pier and Hynes Auditorium to optimize the city's convention potentials.

OPTION 2: ENLARGEMENT OF HYNES AUDITORIUM

Various proposals have been advanced for enlarging Hynes Auditorium. A new third floor to provide more meeting rooms, an enlarged first floor to provide more exhibit and auditorium space, a more functional lobby, and better access to the second floor are among the suggestions which have been made. The size of additional facilities which might be accommodated, their cost, and the number of additional conventions which would be attracted have not been explored at this stage.

But because of the limitations governing the use of the facility, a lack of parking and probably limited room for expansion, it is not clear whether these improvements would significantly expand the space in a manner which would provide for a quantum jump in the number and size of conventions which Boston could serve. An analysis of the cost and feasibility of expanding Hynes Auditorium is required.

OPTION 3: CONSTRUCTION OF A NEW FACILITY

A third option is to build a new convention facility with a large auditorium seating at least 10,000 persons, an exhibit hall of approximately 300,000 square feet on a single level, and meeting rooms and parking so that Boston could attract more of the larger conventions. Such a facility would generate the need for at least two additional convention hotels. The 3,500-4,500 rooms which would have to be provided should be in proximity to the convention hall and the other downtown hotels.

The cost of a convention facility is estimated to be at least \$30 million. Such a facility would in addition require a significant effort at promotion and funds on an annual basis to cover the deficit which such facilities generally run (\$1-2 million in the case of Baltimore, Detroit and Philadelphia).

If both facilities were to function (see Table 6, p. 26), Hynes Auditorium would have to capture about 20 national conventions per year, as it does now, while the new facility would have to attract 20 shows from the market from which Hynes draws plus an additional 10 from the new market that would open with the availability of larger facilities. It is doubtful whether there is a broad enough market realistically to support two facilities.

It is also questionable whether Boston is financially capable of operating both Hynes and a new convention facility. Hynes already operates at a deficit, and there are enormous costs involved in any new convention center, which Boston is in no position to bear, given its current financial problems. It is therefore unlikely that the city could justify financing a new facility, even with State assistance, unless another use could be found for Hynes and there were a commitment of significant ongoing State assistance in operating the facility.

In evaluating the three development options, a logical strategy would be first to examine in greater detail the convention market and the cost/feasibility of improvements to Hynes. An analysis of these factors would help weigh more accurately the other alternatives of constructing a new property or making improvements to Commonwealth Pier or the Boston Garden.

An additional strategy might be for the City of Boston to provide various public improvements, possibly with State financial assistance, in conjunction with the private development of a major convention hotel. In this way, the city could leverage private investment for the overall benefit of Boston's convention industry.

At this point, however, there is little reason for the city or the Convention Bureau to expand convention business unless the Commonwealth changes the revenue formula governing financial returns from the convention trade. The situation today is one in which the Convention Bureau and the city do most of the work and the Commonwealth receives most of the economic benefits.

THE COMMONWEALTH'S CONTRIBUTION TO BOSTON'S CONVENTION/ HOTEL INDUSTRY

During a typical 24-hour period, an individual attending a convention in Boston generates the following tax return to the Commonwealth:

<u>Expenditure</u>	<u>Amount</u>	<u>% of Sales Tax</u>	<u>Total Tax</u>
Room	\$ 35	6%	\$ 2.10
Food & Beverage	20	8%	1.60
Retail Sales	20	5%	1.00
Miscellaneous	10	5%	.50
	<u>\$ 85/day</u>		<u>\$ 5.20/day</u>

This return can be contrasted with the per/day property tax revenue which accrues to the city. Assuming 70% occupancy (255 days) and an average annual tax per room of \$650, the city's revenue comes to \$2.50 per day, about one-half of the income received by the Commonwealth.

While the convention/hotel industry benefits the city in a large number of ways (for example, the dollar volume from City of Boston conventions in 1976 is estimated at \$30 million), there are also significant service costs - police, fire, sanitation, etc. - which have been estimated to be in excess of \$800 per room. In addition, the city provides some staff support, services and publicity to the Convention Bureau and underwrites the deficit of Hynes Auditorium.

If one analyzes the cities which are competitive with Boston, one finds that in the majority of cases the states provide significant support for promotion and for the development and operation of convention facilities.

Table 7 (p. 27), from a 1971 survey undertaken by the International Association of Conventions and Visitors Bureaus indicates the total convention budgets of the 18 cities competitive with Boston and the amount of each budget which is supported by the tax base. In terms of the total budget for promotion, it is apparent that Boston ranks far below (13 of 18) the cities with which it is directly competitive. Analyzing the public support for convention promotion, it is also evident that Boston ranks the lowest in the amount of public support provided by both city and state. In other cities, support for convention promotion usually derives from a local sales tax, a portion of which is returned to the convention bureau. But in Massachusetts, the State government derives all the tax benefits from conventions and returns less to Boston's Convention Bureau than do any of our competitive states.

One might also note that two of Boston's competitive cities (New Orleans, Cincinnati) derive tax base support for convention hall construction/debt.

Table 8 (p. 28) compares the hotel room tax rates by state and by type of tax for the cities with which Boston is competitive. This table indicates that of the 13 states which have facilities competitive with Hynes, only two, Illinois and Pennsylvania, have state-imposed hotel room occupancy taxes. In contrast to Massachusetts, most states have a local option room occupancy tax and a state sales/use tax which covers hotel occupancy. In general, the revenue produced by these taxes is used to cover the costs of promotion and the operation and development of meeting facilities.

Two conclusions of particular significance can be reached on the basis of the preceding information. First, the Commonwealth of Massachusetts, in contrast to most competitive states, provides no local option room occupancy tax and, second, the total effective hotel room occupancy levy of 5.7% is below that of the other states shown on Table 7.

Given the need to expand Boston's convention facilities, it seems apparent at this stage that the Commonwealth should begin to share with the city and the Convention Bureau some of the proceeds which it derives from this industry as a means of necessary growth. The city has proposed legislation that would increase the Massachusetts room tax to 7%. This increase would generate an additional \$660,000, which could be returned to the Convention Bureau and city to be utilized in the most cost-effective way to expand the convention business, such as enlarging Hynes Auditorium or underwriting a portion of the deficit so that additional conventions could be booked at Hynes Auditorium.

Once a specific expansion program were finalized, the city would be in a better position to negotiate with the Commonwealth a return of the balance of the hotel tax. This revenue could be used for additional promotion and development activities.

DEFINITIONS

There are three types of shows which use convention facilities: conventions, trade and gate shows. The space and locational requirements differ in each and it is the conventions and trade shows which are of primary economic benefit to the municipality.

1. Convention

A meeting generally held in a hotel and centered around the membership of a local, regional or national organization. A small percentage of the total market requires a large facility consisting of a stage, auditorium, exhibit hall, meeting rooms, and banquet halls. These should be in proximity to first-class hotels, shopping, restaurants, and the airport. The majority of visitors are from out of town; parking, therefore, is not critical. Many conventions are no longer tied to a regional market. Of the total exposition hall business, 2/3 is of a convention nature.

2. Trade Show

A meeting of a professional group, not open to the public, where registration is required. As with a convention, a large proportion of these meetings take place in hotels. If a meeting hall is required it should contain a large exhibit area for booths and display areas, and meeting rooms. Hotel rooms and banquet halls in proximity to the exhibit hall are desired. Approximately 75% of the visitors come from within a 200-mile radius; adequate parking is a necessity.

Trade shows tend to have a large regional attraction. In Boston, medical, educational, electronics, and possibly printing and furniture are the major types of trade shows attracted to this region. The average trade show booth is 10'x10' (100 sq.ft.). One assumes that one-half of the gross floor area of an exhibit hall is available for booths (excluding common areas). Thus, a 100,000 square foot arena can handle a 500-booth show. Most trade shows need only 40-60,000 square feet for 200-300 booths.

3. Gate Show

A promotional/sales exhibit open to the public for a fee. A large exhibit space is needed as is adequate access and parking. The majority of visitors come from the metropolitan area. Gate shows, therefore, in contrast to conventions and trade shows, generate significantly less impact on the local economy (i.e., hotels, restaurants, transportation, etc.).

The Convention Bureau and the Auditorium Commission

An Auditorium Commission of five members was established in 1954 with the responsibility to construct, operate and maintain a municipal auditorium and exhibit hall. The fees and charges are fixed according to the schedule shown in Exhibit 6 (p. 38). The staff of the commission are responsible for the booking of space and the supervision of the facility.

The Convention Bureau is an independent non-profit organization supported primarily by corporate membership. The Bureau exists independent of the Auditorium Commission and is charged with promoting convention and tourist business. The Bureau has a staff of three salesmen who actively seek to book trade and gate shows both for Hynes Auditorium and the greater Boston hotels.

Hynes Auditorium

Hynes Auditorium contains 150,000 sq.ft.; this includes 60,000 sq.ft. in the first floor exhibition hall and 30,000 sq.ft. in the assembly hall, for 90,000 sq.ft. on the entire first floor level, plus 60,000 sq.ft. in the second floor exhibition hall. The 30,000 sq.ft. assembly hall can be used for exhibits or meetings of up to 5,500 people. Within the building there are 10 permanent meeting rooms and 13 modular meeting rooms. In addition, the basement of the building contains approximately 40,000 sq.ft. of storage space. The building does not contain any parking.

APPENDIX: TABLES AND EXHIBITS

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TABLE 1

COMPETITIVE CITIES HOTEL AND CONVENTION FACILITIES

CITY	Hotel Rooms			Convention Facilities				
	7 A proximity to conv. 8 blocks	15 min taxi	metro	Exhibit Hall	Sq. Ft. Total	Auditorium Seats (7)	Htg. Rms. # Size (8)	Parking (9)
First Tier	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1. Atlanta - Omni Ctr.	7,500	10,000	27,781	59.2	352,000	10,000	22 (50-10,000)	800
2. NYC - Colliseum			46,033	72.0	64,000	320,000	8 (35-200)	
3. Philadelphia	853	6,565	15,725	53.5	140,000	305,000	25	1,400
4. D.C. - Sheraton Park	1,400		17,792	71.1	63,000		18 (50-4,600)	950
Second Tier								
1. Atlantic City	7,705	7,705	9,906	50.0	400,000	530,000	30 (100-35,000)	1,000
2. Baltimore Convention Ctr.	2,360		6,476	55.1	100,000	4 modules	50,000s.f.	
3. Miami	1,500	5,000	18,913	69.3	108,000	240,000	50 (60-2,800)	4,000
4. Montreal-Place Bonaventure	6,000		15,821	64.0	183,000	200,000	9	1,000
5. Pittsburgh	2,250	3,720	7,719	54.0	125,000		4	
6. Toronto-Exhibit Park			19,590	62.0	No conv. hall	734,000	5,717	
7. Chicago-McCormack Pl.	575	15,000	42,000	59.7	300,000	683,000	26	10,700
Private						150,000		
Third Tier						225,000		
1. Cincinnati			7,456	n.a.	95,000	125,000	26 (50-3,000)	5,000
2. Cleveland		5,000	13,531	59.0	315,000	400,000	9,925	3,490
3. Detroit - Cobo Hall	3,820	5,248	17,497	60.0	404,000	9,561	50 (25-3,700)	500
4. Hartford	400+	3,670	3,670	n.a.	58,000	3,000	3	
5. Louisville	875	6,323	6,323	n.a.	3 halls	410,000sf	3 30	27,000
6. Memphis	617	2,113	9,000	62.3	127,000	16,500	30 (75-500)	1,100
7. New Orleans-Rivergate	10,081	13,644	17,192	69.9	134,000	17,000	14 (200-1,300)	800
8. Superdome	2,727	10,917	17,192	69.9	270,000		52	5,000
BOSTON	4,018	7,022	9,783	68.1	90,000	150,000	23 (20-800)	

Source: Boston Redevelopment Authority, Downtown Development Department, Laurence Koff, from Mail Surveys of Various Convention Bureaus.

TABLE 2

CONVENTION HOTELS: BOSTON
October 1976

<u>Classification*</u>	<u>Boston Hotels</u>	<u>Total Rooms</u>	<u>Rooms Available for Convention**</u>	<u>Approximate Distance from Convention Center</u>
I	Bradford	322	200	1 mile
M	Childrens Inn	82	30	2 miles
D	Colonnade	300	150	1 block
D	Copley Plaza	450	200	4 blocks
M	Copley Square	150	80	3 blocks
I	Essex	300	100	2 miles
M	Fenway Boylston	94	25	6 blocks
M	Fenway H. J. Commonwealth	178	50	6 blocks
M	Hilton Inn - Logan	600	200	4 miles
M	Holiday Inn	300	75	2 miles
M	Howard Johnson "57"	360	200	8 blocks
M	Lenox Hotel	225	125	2 blocks
M	Midtown	161	125	1 block
D	Parker House	600	100	1½ miles
M	Ramada - Brighton	118	50	3 miles
M	Ramada - East Boston	200	75	5 miles
D	Ritz Carlton	260		6 blocks
D	Sheraton-Boston	1,400	1,000	adjoining
D	Park Plaza	800	500	6 blocks
	Total	7,100	3,305	

*Classification - based on rates

I - Inexpensive

M - Moderate

D - Delux

**Commitable rooms for city-wide conventions

Source: Greater Boston Convention and Tourist Bureau

TABLE 2 Cont'd

CONVENTION HOTELS: GREATER BOSTON
October 1976

Classification*	Greater Boston Hotels	Total Rooms	Rooms Available for Convention**	Approximate Distance from Convention Center
M	Charles River Motel	55	10	4 miles
M	Chestnut Hill Motor Inn Newton	150	50	7 miles
M	Fenway H. J. - Cambridge	200	100	2 miles
M	Fenway North - Revere	100	25	6 miles
M	Harvard Motor House Cambridge	72	25	3 miles
M	Holiday Inn - Cambridge	135	35	3½ miles
M	Holiday Inn - Newton	200	50	10 miles
M	Holiday Inn - Somerville	190	50	3 miles
M	Howard Johnson - Newton	273	75	6 miles
D	Hyatt Regency - Cambridge	500	200	2 miles
D	Marlott - Newton	430	100	10 miles
M	Sheraton Commander Cambridge	178	40	3½ miles
D	Sonesta - Cambridge	200	75	2½ miles
M	1200 Beacon Street Hotel Brookline	200	100	2 miles
	Total Greater Boston	2,883	935	
	Total Boston	6,900	3,305	
	Total Rooms	9,783	4,120	

*Classification - based on rates

I - Inexpensive

M - Moderate

D - Deluxe

**Commitable rooms for city-wide conventions

TABLE 3

PRICE RANGE OF HOTEL / MOTEL ROOMS
FOR MAJOR COMPETITIVE CITIES

1976

	Inexpensive	Moderate	Deluxe
Atlanta	8,969	11,589	7,223
New York City	11,140	21,499	14,194
Philadelphia	1,548	8,069	6,108
Washington, D.C.	3,280	7,554	6,958
Boston	622	5,021*	4,140

*Note: Assume 800/room Park Plaza Hotel

Source: Boston Redevelopment Authority, Downtown Development Department,
Laurence Koff, from Harris Kerr Foster & Co.

TABLE 4
HYNES AUDITORIUM
OPERATING CHARACTERISTICS

	1972	1973	1974-1975 (July 1-June 30)	1975-1976
Profit/Loss				
Income	\$ 460,525	\$ 471,684	\$ 489,049	\$ 585,514
Expenses*	483,877		613,197	692,591
Balance	<u>-\$ 23,352</u>		<u>-\$ 124,148</u>	<u>-\$ 108,077</u>
Occupancy(% of days)	75%	85%	75%	83%
Meeting Type				
Convention	14	18	22	25
Trade	11	11	10	8
Subtotal	25	29	32	33
Gate	15	18	16	11
Public	23	11	27	20
Subtotal	38	29	43	31
Public Schools	17	17	20	20
Total Events	80	75	95	84

*Note expenses do not include debt service of \$180,000/year.

Source: Boston Redevelopment Authority, Downtown Development Department,
Laurence Koff, data from annual reports of Auditorium Commission.

TABLE 5

"100" LARGE CONVENTIONS FACILITY REQUIREMENTS

# of Committable Hotel Rooms	Larger Exhibit Space & hotel rooms		Larger Exhibit Space & hotel rooms		Totals
	Larger only	Auditorium & hotel rooms	Larger only	Larger Exhibit Space, Auditorium & Hotel Rooms	
- 3399	7	0	17	0	24
3400 - 4499		8		1	15
4500 - 5499		9		3	14
5500 - 6499		5		4	17
6500 - 7499		4		1	9
7500 - 8499		1		1	3
8500 - +		3		5	11
<u>Totals</u>	7	30	17	15	93

Source: Boston Redevelopment Authority, Downtown Development Department, Laurence Koff, from International Association of Convention and Visitors Bureau Exhibit Space Meeting Index, 1976.

TABLE 7
IACVB TAX SURVEY 1976

Ranking	City	Total Budget	Membership Dues	City \$	Tax Base Support \$ for promotion	\$ for construction/debt	Grants or Matching
1.	Chicago	1,240,000	472,000	--	768,000	--	--
2.	New York	925,000	625,000	300,000	--	--	--
3.	Toronto	905,000	243,000	--	--	--	519,000
4.	New Orleans	829,000	300,000	100,000	400,000	1,700,000	--
5.	Detroit	786,000	270,000	250,000	118,000	--	--
6.	Louisville	783,000	--	--	726,000	--	--
7.	Atlanta	620,000	200,000	--	400,000	--	226,000
8.	Washington, D.C.	615,000	415,000	200,000	--	--	385,000
9.	Philadelphia	605,000	220,000	--	--	--	--
10.	Atlantic City	525,000	525,000	--	--	--	--
11.	Baltimore	355,000	100,000	125,000	115,000	--	226,000
12.	Pittsburg	335,000	99,000	92,000	--	--	--
13.	BOSTON	311,000	190,000	20,000	54,000	--	--
14.	Miami Beach	300,000	--	--	300,000	--	--
15.	Cincinnati	295,000	110,000	--	181,000	199,000	--
16.	Hartford	280,000	80,000	--	200,000	--	--
*17.	*Cleveland	240,000	28,000	100,000	--	--	--
18.	Montreal	205,000	134,000	--	--	--	--

* Indicates 1972 figure

Source: Boston Redevelopment Authority, Downtown Development Department, Laurence Koff, from IACVB Tax Survey, 1976.

TABLE 6

CONVENTION MARKET ANNUAL CAPTURE BY FACILITY

Number of Conventions / Year			
	Present Capture "250"+ Show Market	Potential Capture "100"+ Shows	Total
Hynes	25	-	25
Hynes plus new facility	40	10	50

Source: Boston Redevelopment Authority,
Downtown Development Department,
Laurence Koff.

TABLE 8
COMPARATIVE HOTEL ROOM TAX RATES
BY STATE AND BY TYPE OF TAX AS OF 6/76

<u>State</u>	<u>State Hotel Room Occup. Tax</u>	<u>Local Option Room Occup. Tax</u>	<u>State Sales/ Use Tax Cov- ering Occup.</u>	<u>Total Effec. Hotel Room Occup. Levy</u>
Connecticut	-	-	7	7
District of Columbia	-	-	8	8
Florida	-	2	4	6
Georgia (Atlanta)	-	3.7	3	6.7
Illinois (Chicago)	4.75	2	-	6.75
Kentucky	-	3	5	8
Louisiana	-	3	3	6
Maryland (Baltimore)	-	3-5	4	7-9
MASSACHUSETTS	5.7	-	-	5.7
Michigan (Detroit)	-	5	4	9
New Jersey	-	-	5	5
New York (New York City)	-	4.6	4	8.6
Ohio	-	.5-3	4	4.5-7
Pennsylvania	6	-	-	6
Tennessee	-	5	4.5	9.5

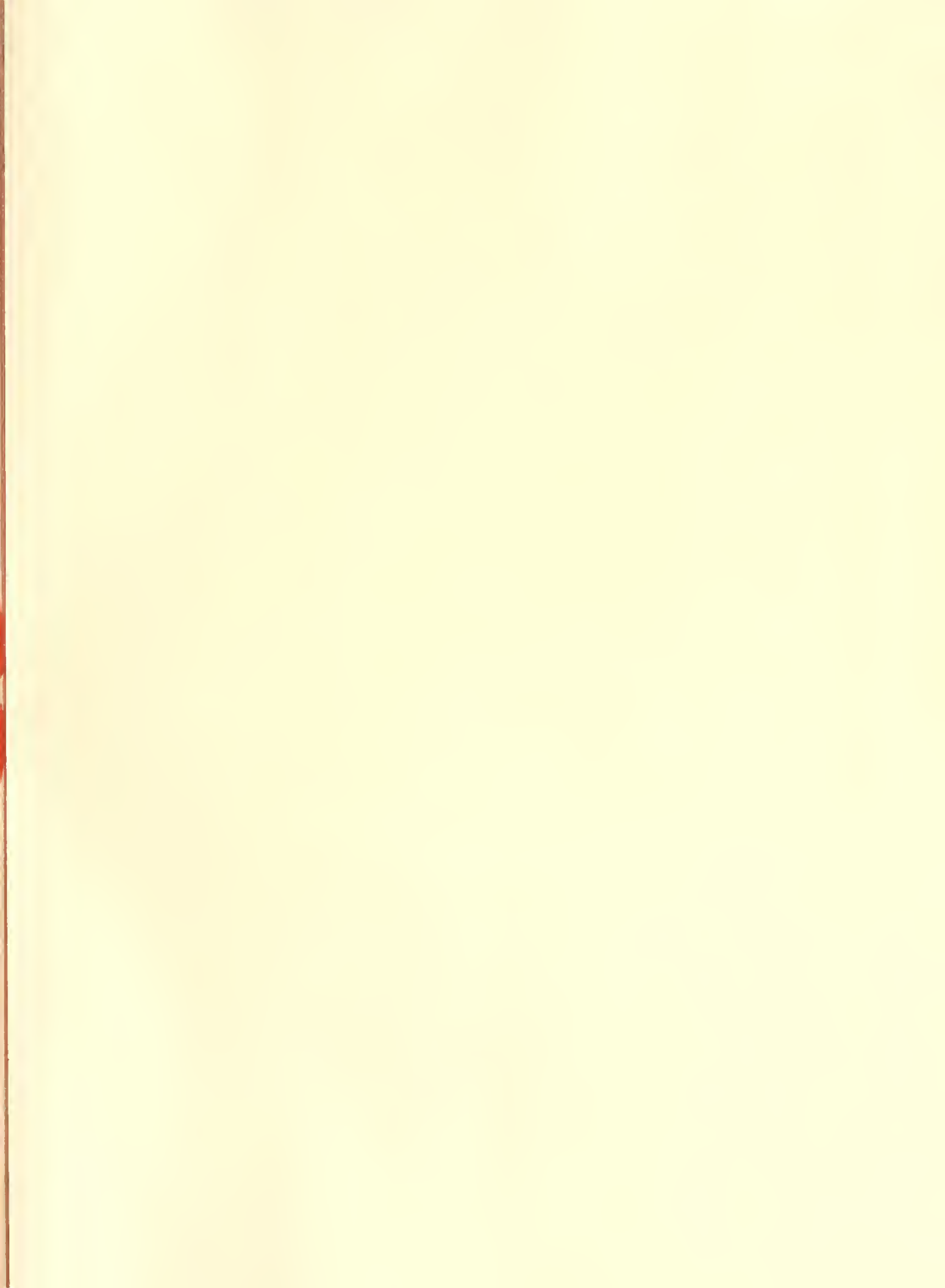
SOURCE: Boston Redevelopment Authority,
Research Department,
C. Carlaw, January 5, 1977
from Commerce Clearing House, Inc.
State Tax Guide



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